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1954 TENTH ANNUAL REPORT

Chicago Transit Board

CHICAGO TRANSIT AUTHORITY

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WORLD'S RECORD BUS CHARTER—(Photo on Cover) On the evening of September 8, 1954, CTA established a world's record in the transit industry when it chartered 800 buses for the Marian Year observance in Soldier Field. This fleet of charter buses carried approximately 38,400 passengers, and was equivalent in number of units to the bus fleet that serves the City of Buffalo, N. Y.

CHICAGO TRANSIT AUTHORITY

TENTH ANNUAL REPORT

CHICAGO TRANSIT BOARD

for the Fiscal Year ended December 31, 1954

MEMBERS OF THE BOARD

and Date Term Expires

Philip W. Collins	G	September 1, 1955
John S. Miller	G	September 1, 1956
James R. Quinn	M	September 1, 1957
John Holmes	M	September 1, 1958
Virgil E. Gunlock, *Chairman*	M	September 1, 1959
William W. McKenna, *Secretary*	M	September 1, 1960
Werner W. Schroeder, *Vice Chairman*	G	September 1, 1961

M—Appointed by the Mayor of the City of Chicago.

G—Appointed by the Governor of the State of Illinois.

Walter J. McCarter, *General Manager*

Thomas C. Strachan, Jr., *General Attorney*

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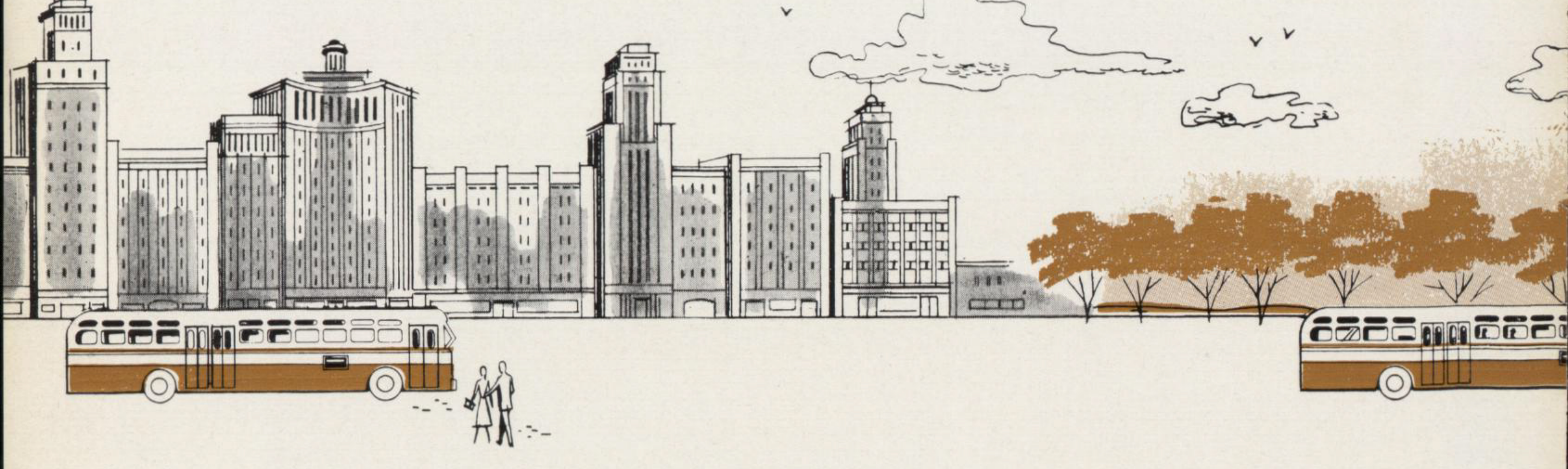

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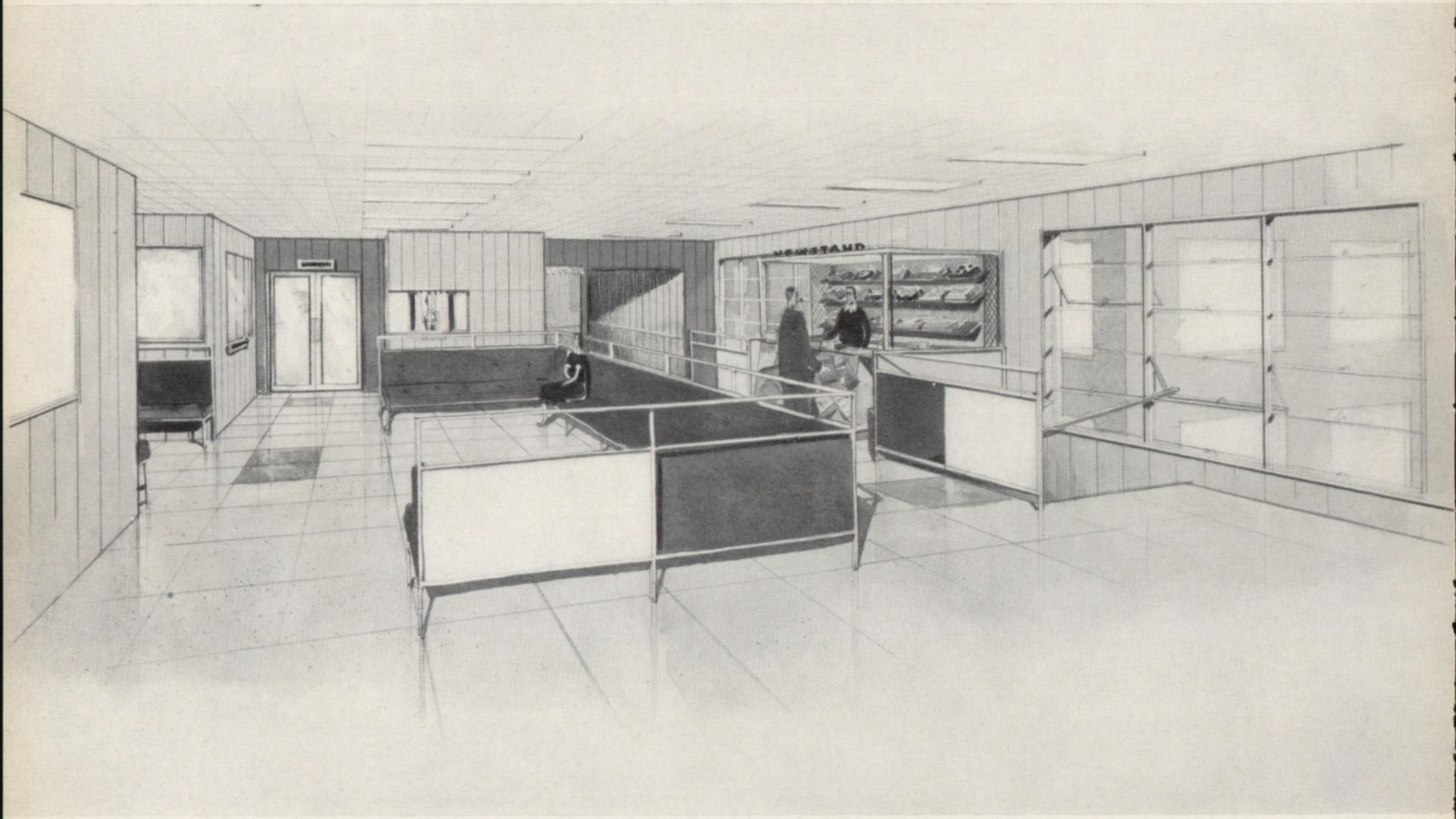


Modern Elevated Station and Waiting Room to be Constructed at Randolph and Wabash.
The Cost Will Be Shared by Chicago Transit Authority and Marshall Field & Company.

Financial Position and Results of Operation

Financial Statements

The financial position of the Authority at the end of 1954 compared with 1953 and the results of its operations and fund transactions for the year 1954 are set forth in its financial statements, which are made a part of this report. These statements have been examined by Arthur Anderson & Co., the Authority's independent public accountants, whose certificate relating to these statements precedes them.

Results of Operations

The gross revenues of the Authority and their application in the manner prescribed by the Revenue Bond Trust Agreement for the year 1954 are compared below with 1953:

	1954	1953
Revenues	$121,139,515	$124,103,962
Operation and maintenance expenses	103,411,537	106,296,905
	17,727,978	17,807,057
Debt service requiremnets	7,500,612	6,579,336
	10,227,366	11,227,721
Depreciation	9,691,161	9,928,317
Balance available for other charges	536,205	1,299,404
Other Charges—		
Revenue Bond Amortization Fund	536,205	1,216,714
Operating Expense Reserve Fund	—	82,690
	$ 536,205	$ 1,299,404

Although revenues were down $2,964,447 and debt service requirements increased $921,276, the net effect on revenues remaining available for other charges was to reduce them only $763,199. This was made possible primarily because of a reduction of $2,885,368 in operation and maintenance expenses. These reductions in expenses resulted principally from efficiencies secured by the use of new equipment received during the year.

Revenues

Gross revenues amounted to $121,139,515 for the year 1954, a decrease of $2,964,447 (2.4%) from the previous year. Rates of fare were revised effective April 22, 1954, eliminating the 5 for 85c adult token rate for the surface system and the 5 for 90c adult token rate on the rapid transit system, making all adult fares on both systems 20c.

This change in fares was made necessary by the decline in revenue passengers and in passenger revenues since the beginning of the year, which had resulted in a deficiency in depreciation provisions of $2,064,842 at April 30, 1954.

The decline in passenger revenues reflected the decrease in the average rate of fare, which dropped almost one-half cent between the first quarter of 1953 and the first quarter of 1954. This reduction was due to the increase in use of adult tokens and also to the fact that the number of children and student rides remained fairly stable while the total number of rides decreased.

Operations for the last eight months of the year produced sufficient revenues to meet all fixed charges for that period, make up the deficiency in depreciation which had arisen in the first four months and, in addition, provide $536,205 for deposit in the Revenue Bond Amortization Funds.

Revenue passengers and passenger revenues for the periods before and after the revision of rates of fares in 1954 are compared below with similar data for 1953:

	Four Months ended April 30	Eight Months ended December 31	Total Year
Originating passengers—			
1954	220,133,634	421,032,867	641,166,501
1953	231,656,028	454,904,048	686,560,076
1954 Decrease—			
Number	11,522,394	33,871,181	45,393,575
Per cent	4.97%	7.45%	6.61%
Passenger revenue—			
1954	$38,397,867	$80,597,992	$118,995,859
1953	41,067,679	80,662,610	121,730,289
1954 Decrease—			
Amount	$ 2,669,812	$ 64,618	$ 2,734,430
Per cent	6.50%	.08%	2.25%

Discontinuance of the token rates of fare on April 22, 1954 eliminated the 1c transfer charge for surface system riders who had paid their fare with a token and subsequently transferred to the rapid transit system. Revenue passengers shown above for the eight months ended December 31, 1953 exclude 19,189,238 of such transfers and the four months ended April 30, 1954 and 1953 exclude 8,800,231 and 9,730,080, respectively, of such transfers.

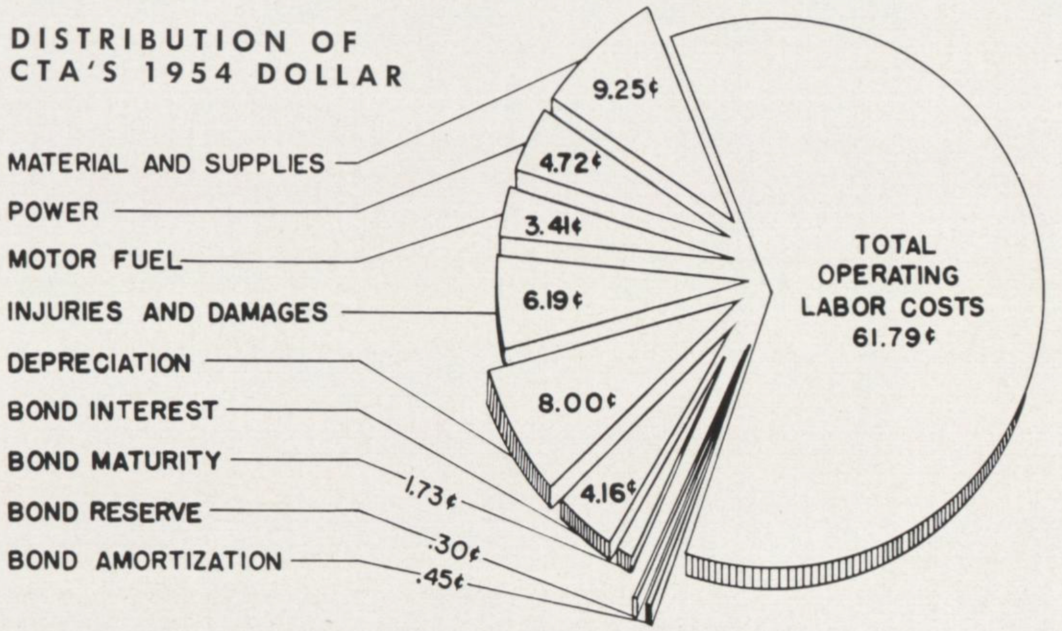
The number of revenue passenger riders on the Authority's lines for 1954 and the change compared with 1953 are shown below:

	1954	1953	Per Cent Decrease From 1953
Rapid Transit System			
Originating passengers	111,232,302	111,738,513	.45%
1c transfers from Surface System	8,800,231	28,919,318	69.57%
	120,032,533	140,657,831	14.66%
Surface System	529,934,199	574,821,563	7.81%
Total revenue passenger riders	649,966,732	715,479,394	9.16%

Revenues of the Authority from all sources for 1954 are compared below with 1953:

	1954	1953	Per Cent Increase (Decrease)
Passengers—			
Surface System	$ 96,932,822	$100,318,768	(3.38%)
Rapid Transit System	21,822,989	21,171,184	3.08%
	118,755,811	121,489,952	(2.25%)
Chartered service	240,048	240,337	(.12%)
	118,995,859	121,730,289	(2.25%)
Other—			
Station and car privileges	1,030,608	1,139,181	(9.53%)
Rent of tracks and facilities	415,287	524,523	(20.83%)
Rent of buildings and other property	266,838	308,324	(13.46%)
Miscellaneous	430,923	401,645	7.29%
	$121,139,515	$124,103,962	(2.39%)

Rent of tracks and facilities decreased due to the transfer during the latter part of 1953 of terminal operations from Wells Street in the Loop to Des Plaines Avenue in Forest Park by Chicago Aurora and Elgin Railroad Company.



NOTE: Total operating labor costs exclude $2,113,923 (1.75c of CTA's Dollar) charged to operating materials and supplies, injuries and damages reserve and miscellaneous services and supplies.

Operation and Maintenance Expenses

The principal elements making up operation and maintenance expenses for 1954 and 1953 are compared below:

	1954	1953	Per Cent Increase (Decrease)
Wages and salaries	$ 68,036,762*	$ 71,832,267*	(5.28%)
Pension contributions	5,049,163	4,494,558	12.34%
Federal Insurance contributions	1,185,072	902,042	31.38%
Employes insurance	586,344	631,579	(7.16%)
Total labor costs	$ 74,857,341	$ 77,860,446	(3.86%)
Electric power purchased	5,722,156	5,863,803	(2.42%)
Motor fuel consumed	4,124,779	3,705,248	11.32%
Operating materials and supplies	5,813,762	5,712,132	1.78%
Provision for injuries and damages	7,502,934	6,816,174	10.08%
Miscellaneous services, supplies, etc.	5,390,565	6,339,102	(14.96%)
Total operation and maintenance expense	$103,411,537	$106,296,905	(2.71%)

*Exclusive of $2,113,923 in 1954 and $2,024,644 in 1953 charged to Stores Clearing Expense included with Operating Materials and Supplies, to Injury and Damage Reserve and to Miscellaneous Services and Supplies, etc.

The reduction in total wages and salaries resulted from continued economies made possible (1) through use of additional new motor buses and "L"-subway cars put into service during the year, (2) by tailoring service in accordance with reduction in riding, and (3) by there being sufficient employes made available by these economies to fill requirements of the Transportation Department; this substantially reduced overtime from that paid in previous years because of the shortage of employes required to fill schedules.

These economies permitted a reduction in the total number of employes of the Authority from 16,845 at the end of 1953 to 16,053 at December 31, 1954.

The full effect of these reductions in the number of employees was partially offset by increases in substantially all categories of wages and salaries equivalent to 2c per hour effective January 1, 1954 and an additional 4c per hour effective June 1, 1954, all in accordance with an award in 1953 by a Board of Arbitration. An additional increase equal to 2c per hour on January 1, 1955 was also provided by such award; the Arbitration Board retained jurisdiction to determine whether rates established by its award should be continued to December 31, 1955.

Pension contributions were increased 1% (from 6% to 7% of payrolls) on January 1, 1954 in accordance with the revisions of the pension agreement effective June 1, 1952.

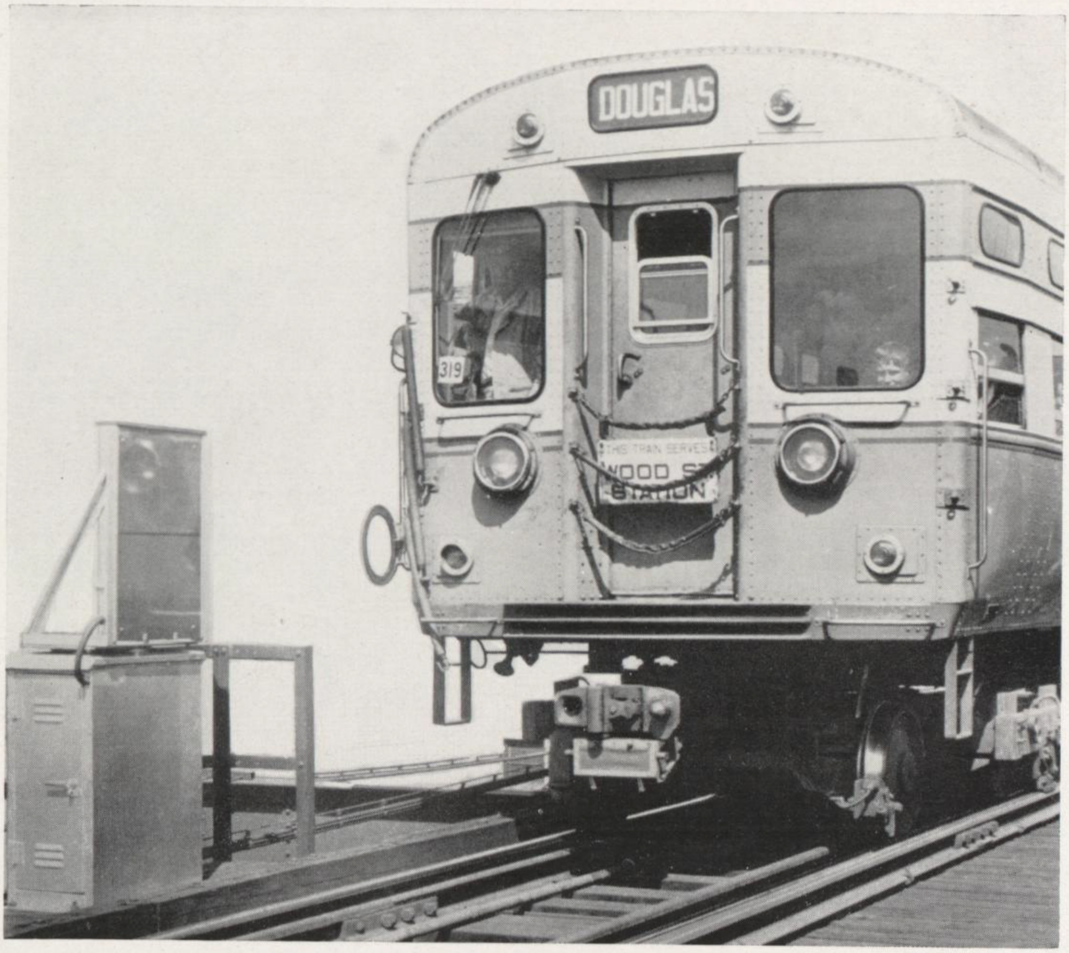
Federal insurance contributions increased over 1953 due to a ½% increase in the rate to 2% of the first $3,600 earned by each employe. An additional increase will occur in 1955 as a result of an increase in the earnings base from $3,600 to $4,200 effective January 1, 1955.

Electric power purchased decreased as a result of the further substitution of motor buses for streetcars and by the abandonment of certain substations made possible by the reduction in the number of streetcar lines operated. Part of this reduction was offset by increased unit costs of power purchased resulting from application of the coal cost clause in such contract.

Cost of motor fuel consumed continued to increase because of the substitution of motor buses for streetcars and from the use of motor buses during week ends on lines which are operated with streetcars on week days.

Operating materials and supplies showed an increase over the previous year as a result of increased unit costs.

The provision for injuries and damages was increased by Chicago Transit Board effective October 1, 1954, from 6% to 6¾% of gross revenues to meet increased costs of both claims and suits for personal injuries.



Radio-Operated Device Selects Train Routes at Lake and Paulina Streets on the Elevated.

Payments to State of Illinois, City of Chicago and Chicago Park District

Payments by the Authority for taxes and other items to the State of Illinois, City of Chicago and Chicago Park District amounted to $2,904,404 for the year 1954 as compared with $2,899,472 in 1953. This does not include $610,000 in 1954 and $599,000 in 1953 spent by the Authority for the removal of snow and ice from transit route streets:

		1954	1953
State of Illinois	Fuel tax on gasoline, diesel and propane fuel for revenue buses, passenger autos, trucks and shops. Charged to "Motor Fuel Consumed"	$1,508,779	$1,269,923
State of Illinois	License fees covering buses, trucks, trailers, autos and chauffeurs. Charged to "Miscellaneous Services and Supplies, etc."	6,374	5,794
State of Illinois and City of Chicago	Revenue tax charge collected from Authority by Commonwealth Edison Company and paid to		
	State of Illinois — 3%	152,978	164,250
	City of Chicago — 4%	203,971	218,999
	Charged to "Electric Power Purchased".		
City of Chicago	For a portion of City's cost of repaving streets on which tracks have been abandoned. Charged to "Depreciation Reserve"	300,000	530,804*
City of Chicago	State Street Subway facilities	137,362	137,362
	Dearborn Street Subway facilities	153,974	153,974
	Charged to "Miscellaneous Services and Supplies, etc."		
City of Chicago	License fees covering buses, trolley coaches, autos, trucks, trailers and flammable liquids. Charged to "Miscellaneous Services and Supplies, etc."	240,966	218,366
Chicago Park District	Payment for wear and tear of boulevards arising from operation of the Authority's buses. Charged to "Msicellaneous Services and Supplies, etc."	200,000	200,000
	Total payments during Year	$2,904,404	$2,899,472
City of Chicago	Accumulated Liability for Repaving streets on which tracks have been abandoned but which have not yet been repaved (Limited to $300,000 per calendar year)	$2,203,966	$1,516,166

*Includes 1952 items paid in 1953.

Revenues for 1954 were adequate to cover all fixed charges and to meet only $536,205 of the $1,266,854 provision for Revenue Bond Amortization. Thus, no revenues were available for either the annual provision of $900,000 for Operating Expense Reserve or for Municipal Compensation, which would be computed at 3% of gross revenues derived from operations of the Authority within the City of Chicago. Provisions for these three items are to be made each year only if revenues are available therefor and they are not cumulative from year to year.

Debt Service Requirements

Debt service requirements of $7,500,612 for the year 1954 were up $921,276 from 1953, resulting from changes in the debt service elements as shown below:

Revenue Bond	1954	1953
Interest charges—		
Series of 1947	$3,703,502	$3,780,312
Series of 1952	1,022,743	1,030,274
Series of 1953	314,367	78,750
	5,040,612	4,889,336
Series of 1947—Serial Bond Maturity Fund .	2,100,000	1,400,000
Revenue Bond Reserves—		
Series of 1952	276,000	276,000
Series of 1953	84,000	14,000
Total debt service requirements . . .	$7,500,612	$6,579,336

Revenue Bond interest charges decreased during 1954 for the 1947 and 1952 bonds as a result of the accelerated retirement of some of these bonds through operation of the Revenue Bond Amortization Fund, as explained in a subsequent section of this report. Interest charges on the Series of 1953 bonds increased since they had been incurred for only three months during 1953. Charges on this series were reduced during the year through the operation of the Revenue Bond Amortization Fund.

Deposits to the Series of 1947 Serial Bond Maturity Fund increased during 1954 as provided in the Trust Agreement.

Revenue Bond Reserve Funds are established as required by the Revenue Bond Trust Agreement. The reserve for the 1947 bonds has already reached the required maximum amount of $6,400,000 and further deposits thereto are no longer required. Deposits to the Series of 1953 reserve fund started on November 1, 1953 (one month after the date of issue of these bonds).

Bus Terminal Loop in Columbus Park.

The Trust Agreement securing all of the bonds provides that these reserve funds are to be available to pay interest on the bonds when funds set aside for such purpose are insufficient therefor, or for accomplishing the final retirement or redemption of outstanding bonds when they mature. At December 31, 1954 the amounts available for such purposes were as follows:

Fund	Amount
Series of 1947	$6,400,000
Series of 1952	604,355
Series of 1953	98,000
	$7,102,355

Operations of Revenue Bond Amortization Fund

The Revenue Bond Trust Agreement provides that $1,266,854 shall be deposited in Revenue Bond Amortization Funds for the accelerated retirement of bonds, if earnings are available in each year for such purpose. These provisions are not cumulative from year to year if sufficient earnings are not available to meet the annual requirements.

During 1954 revenues in the amount of $536,205 remained available and were deposited in the Revenue Bond Amortization Funds. These were applied to the accelerated retirement of bonds in the ratios prescribed by the Trust Agreement, as follows:

Revenue Bonds Purchased and Retired

	During 1954		During 1955		Total	
Series	Principal Amount	Cost	Principal Amount	Cost	Principal Amount	Cost
1947	$ 95,000	$ 86,514	$357,000	$327,256	$452,000	$413,770
1952	19,000	18,952	73,000	73,499	92,000	92,451
1953	6,000	6,150	21,000	21,525	27,000	27,675
	$120,000	$111,616	$451,000	$422,280	$571,000	$533,896

In addition to the bonds shown above as retired in 1954 from 1954 deposits in the Revenue Bond Amortization Funds, $345,000 principal amount of bonds, which cost $317,475, were retired in 1954 from funds made available from 1953 revenues.

Including the operations shown above, the Authority has since the inception of these funds retired revenue bonds as follows:

Series	Principal Amount	Cost
1947	$1,820,000	$1,643,244
1952	366,000	362,928
1953	43,000	44,075
	$2,229,000	$2,050,247

After the above transactions there remained $2,671 unexpended in these funds which will be available for retirement of bonds at a later date.

Balance Sheet Comments

The comparative balance sheets of the Authority at December 31, 1954 and 1953 are presented in a subsequent section of this report.

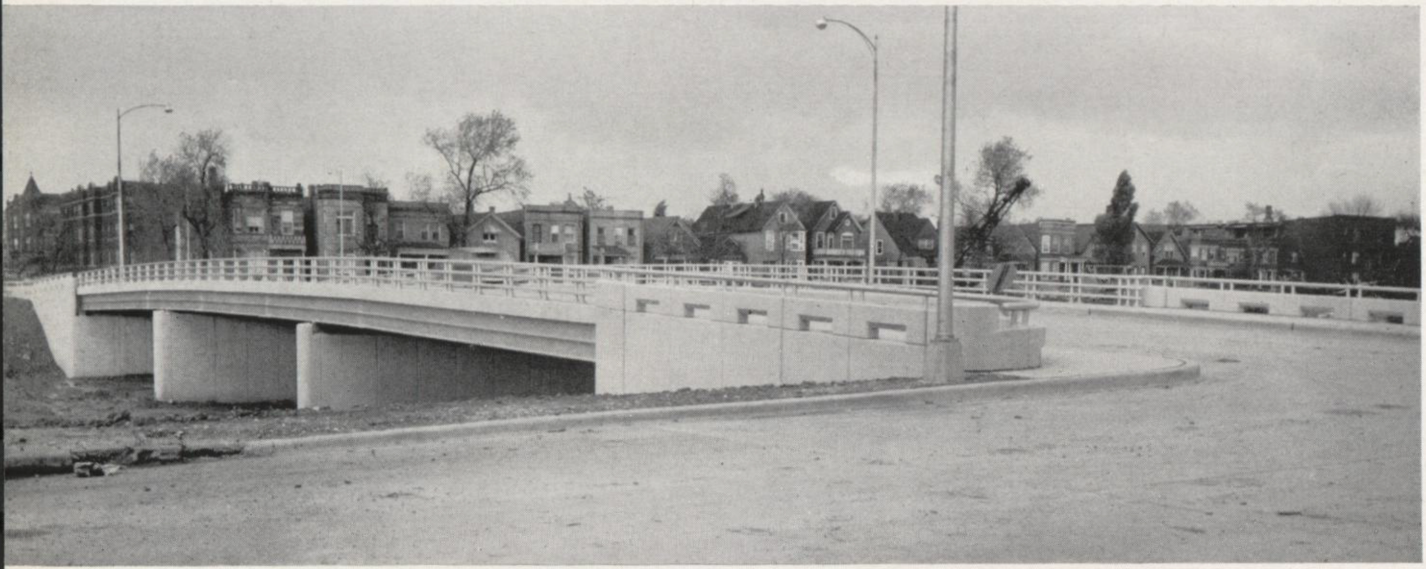
The transportation property of the Authority showed a net increase of $11,665,884 during the year, to a total of $167,785,282 at December 31, 1954. Details of the additions and retirements of the various classes of property making up this net increase are set forth in the Statement of Transportation Property attached to this report. Additions of new vehicles continued to represent the major capital expenditures. Data with respect to changes in these vehicles are shown in the statement of Revenue Equipment Owned which is made a part of this report. At December 31, 1954 there remained undelivered 78 propane buses and 94 "L"-subway cars from outstanding orders. Funds to pay for this equipment upon delivery were on deposit with the Equipment Trustee and in the Depreciation Reserve Fund of the Authority.

The status of these various fund accounts of the Authority and a summary of all transactions affecting these funds during the year 1954 are set forth in the Statement of Funds included in the financial statements attached to this report.

The reduction of $2,265,000 during 1954 in revenue bonds outstanding was accomplished as follows:

	Serial Maturity	Bond Amortization Fund	Total
Series of—			
1947	$1,800,000	$369,000	$2,169,000
1952	—	74,000	74,000
1953	—	22,000	22,000
	$1,800,000	$465,000	$2,265,000

The above does not include the purchase and retirement in 1955 of $451,000 prin-



Typical Traffic Overpass (Keeler Ave.) on Congress Street Superhighway.

cipal amount of bonds, which cost $422,280, from funds deposited in the Revenue Bond Amortization Funds from 1954 revenues.

Equipment Trust Certificates outstanding at December 31, 1954 amounted to $15,000,000 (the maximum amount which may be issued) less $855,600 cash, on deposit with the Trustee for the retirement of future maturities. Details of certificates outstanding at the end of the year and the equipment pledged as security thereunder, are shown in the Statement of Equipment Trust Certificates included with the financial statements made a part of this report. During 1954 final payment was made on $4,700,000 of Series 1, 2 and 3 certificates which were outstanding. Additional equipment trust certificates (Series 6) were issued in the same principal amount ($4,700,000) as those retired during the year to provide funds, together with $940,000 from the Authority's Modernization Fund, for the purchase of 134 propane buses and 92 "L"-subway cars. At December 31, 1954 delivery had been received of 56 of the buses and 18 of the "L"-subway cars so ordered. Delivery of the remainder of the buses and of the "L"-subway cars is expected during the first quarter of 1955.

During 1954 the Authority also ordered an additional 20 "L"-subway cars, to be paid for from funds remaining on deposit with the Equipment Trustee from Series 4 and Series 5 certificates together with funds from its Depreciation Reserve Fund. Of these 20 "L"-subway cars, 4 were pledged under Series 4 and 1 under Series 5 certificates; the cost of the remaining 15 cars is to be pledged under Series 7 certificates, to be issued in 1955. None of these cars had been delivered by December 31, 1954.

The 4% property purchase obligation of $710,000 at December 31, 1954 represents the unpaid balance of the $1,000,000 cost of track, stations and other equipment purchased on January 14, 1954 from Chicago Aurora and Elgin Railway Company. A down payment of $148,000 was made at the date of purchase and a payment of $142,000 was made on December 1. The balance is to be paid off in five equal annual installments of $142,000 each.

Modernization Progress

Expenditures for modernization up to and including December 31, 1954 were $98,502,401. This compares with $80,009,822 reached in the previous year. This increase is accounted for largely by the rapid deliveries of motor bus and rapid transit equipment.

The total expenditures for equipment under the program were $76,308,417. This represents 77 per cent of all modernization expenditures.

The objective of the Board of operating with all modern surface transit equipment has been reached. A program for accomplishing the same end on the rapid transit system is being followed. This must proceed jointly with replacement of some of the older modern type surface units with new vehicles because of wear and tear due to excess age and mileage.

Operation and Management

Surface System—Transportation

This year the last of the old red streetcars was replaced by new buses. This completed the equipment modernization of the surface routes. Motor buses were substituted for streetcars on the following lines:

Route	From	To	Round Trip Miles	Date of Change
Ashland	Irving & Clark	95th & Ashland . . .	33.5	Feb. 15
Ashland-Downtown	Randolph & Clark	95th & Ashland . . .	25.5	Feb. 15
Cermak	Cermak & Calumet	Cermak & 47th Ave. .	12.5	May 30
Lake	State & Lake	Austin & Lake . . .	15.7	May 30
Halsted	Halsted & Waveland	Halsted & 79th . . .	27.8	June 1
Halsted-Downtown	Randolph & Clark	Halsted & 79th . . .	21.3	June 1
Kedzie-California	California & Roscoe	Kedzie & 67th . . .	24.6	June 1

The Ashland-Downtown routing was further modified to give direct connection with the Loomis Street rapid transit station at Loomis and 63rd and special rush hour trips were routed into the Stock Yards. The Kedzie-California route was further shortened from 67th Street to 63rd Place and the north terminal of the South Kedzie bus was extended to the 63rd Place terminal. The Saturday and Sunday operation of the Clark-Wentworth and Broadway-State lines was converted to motor bus operation on September 5. At the year end only four street car lines remained, Broadway-State, Clark-Wentworth, Cottage Grove and Western Avenue. These are equipped with P.C.C. streetcars.

Congress Street Superhighway Where Roadway Leaves Elevated Section for Depressed Level.

Other Service Changes

Among the major reroutings was the operation, beginning May 30, of the Irving Park extension bus in combination with the North and Narragansett route, providing a through route via Irving Park, Narragansett and North from Irving Park-Pueblo to North-Harlem.

Service was discontinued, on January 7, on the W. Pratt bus line which had been operated in Lincolnwood on a trial basis. Sunday and holiday service on Washington Boulevard was discontinued, effective February 14. The Fifth Avenue one-man streetcar line was abandoned, February 2, because of the construction work on the Congress Street Superhighway.

The 87th Street bus line was extended, on March 8, from Hamlin Avenue to a terminal at 87th and Kenton for weekday and Saturday operation; on Monday, August 16 it was extended to 87th and Cicero.

Minor reroutings and terminal changes were made effective on ten routes which did not affect the basic nature of service rendered.

Off-Street Terminals

Five additional off-street terminals for buses were placed in service during the year.

Terminal	Principal Route	Date
42nd & Packers	Ashland	Feb. 14
87th & Cicero	87th St.	Aug. 1
Ashland & 95th	Ashland	Nov. 4
California & Roscoe	Kedzie & California	Nov. 26
Grand & Fullerton	Fullerton Shuttle	Dec. 20

In addition to the above changes, three terminals were renewed and enlarged. At the close of the year there were 99 off-street turnarounds for streetcars or buses in use.

Rapid Transit Service

On April 4, the routing of the Douglas Park Branch was changed. These trains had operated east of Marshfield junction to the loop over the west side main line but, with the new routing, the trains continued northbound along Paulina to Lake Street and then east to the Loop, following the same route as the Lake Street trains. The westbound movement followed the reverse from the Loop. This arrangement will be continued in effect until the Congress Street subway can be placed in operation.

The delivery of additional new rapid transit cars has enabled all day service on Saturdays and Sundays to be given with this equipment on the Garfield Park Branch. These cars are also used in all off-peak service on weekdays.

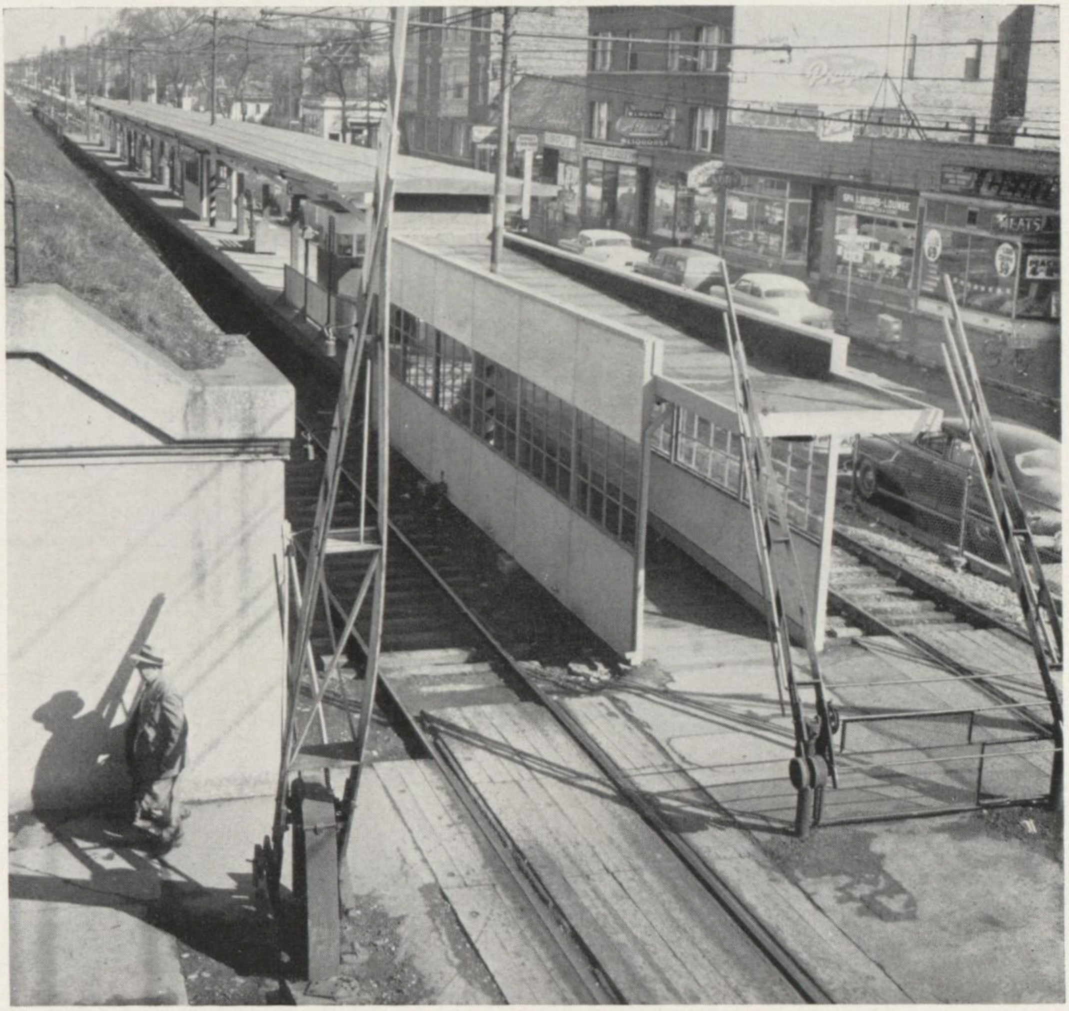
New cars for use on the north-south subway route have released a sufficient number of the older all steel cars to the Lake Street Branch so that all wood cars have now been removed from that route. At least the base service on all routes is with steel cars.

Surface Roadway Improvements

During the year a total of 122 miles of revenue streetcar track were abandoned due to substitution by buses. The major mileage changes on the three types of surface system service were:

Type of Service	December 31, 1954	December 31, 1953
Revenue Streetcar Track in operation (Equivalent miles of single track)	153.84	275.84
Trolley bus lines (single way miles) in operation	246.69	246.75
Motor bus lines (single way route miles) in operation	1468.29	1333.96

A total of 3.27 single track miles of abandoned tracks were removed in connection with street improvement work. 106.36 track miles in street were covered with asphalt in connection with the resurfacing work by the City, County and State. The total track that has been removed in connection with the repaving work since the Authority was founded in 1945 is 126.92 miles. In that period 433.80 single track miles were covered with asphalt.



Newly Remodeled Station at Austin Boulevard on the Lake Street Branch of the Elevated Lines.

Rapid Transit Improvements

A new electric motor operated car washer has been placed in service in the Howard Yards. This has enabled entire trains to be scrubbed in a matter of a few minutes.

An electronic automatic interlocking plant has been installed at the Douglas Park-Lake Junction. A tuned pickup coil carried on the front of the Douglas Park trains operates the switches to set up the route to that branch. Trains without actuating coils automatically take the Lake Street Route.

During the year there were 10.08 single track miles of rail removed from elevated structures. The structure supporting this track was also removed. The principal removals were on the former Humboldt Park Branch, the Normal Park Branch and the west side main line.

There were also 1.10 single track miles removed from the Wilson Avenue and Kenton Avenue yards. New structure and .65 single track miles were constructed but paid for by the City of Chicago on account of construction of the Congress Street Superhighway. This was for track now being used by the Douglas Park branch in its temporary routing.

Additions to shops required the construction of .85 track miles. There were 1.52 single track miles of tracks constructed on ballast which were paid for by the State of Illinois. This was temporary track on the Garfield Park Branch required by construction of the Congress Street Superhighway. At December 31, there were 172.38 miles of revenue track in operation on the rapid transit system.

New Equipment

During the year 298 new motor buses were acquired. These and the 78 additional buses which are to be received in 1955 are all propane fueled buses built by Flxible Coach Company. The total number of propane fueled buses at the close of the year were 972. Two trolley buses were also purchased. These were experimental models which had been leased from the manufacturers.

176 new rapid transit cars were delivered in 1954 and 94 additional rapid transit cars are to be delivered in 1955. These cars are fitted with a conductor's cab in which the door control equipment is installed. There is also a microphone located in the cab to make announcements over a public address system throughout the train. These cars are equipped with newly designed current collectors and sleet cutting devices. The side doors are designed to fit the contour of the bodies to facilitate cleaning when cars are run through the automatic washers.

Steps are being taken to further improve rapid transit cars. This includes tests covering experimental work to improve riding qualities and to maintain a high acceleration rate to a higher speed than is the case in our present cars. Higher speeds are also the subject of experimentation and disc brakes will be installed on one of the high speed test cars to get actual operating experience.

Chicago Transit Board

Mr. Ralph Budd notified Honorable Martin H. Kennelly, Mayor of Chicago, that he did not wish to serve as a Board member beyond July 1, 1954. He had continued to serve after September 1, 1952, the expiration of the term for which he was appointed, since no successor had been appointed.

His successor, Virgil E. Gunlock, was appointed for the term ending September 1, 1959, by Mayor Kennelly. The appointment was approved by Honorable William G. Stratton, Governor of Illinois and Mr. Gunlock filed his oath of office with the Secretary of State on June 24, 1954. On July 1, 1954, Mr. Gunlock was elected Chairman of the Board for three years. Mr. Gunlock, at the time of his appointment, had been Commissioner of Public Works of the City of Chicago.

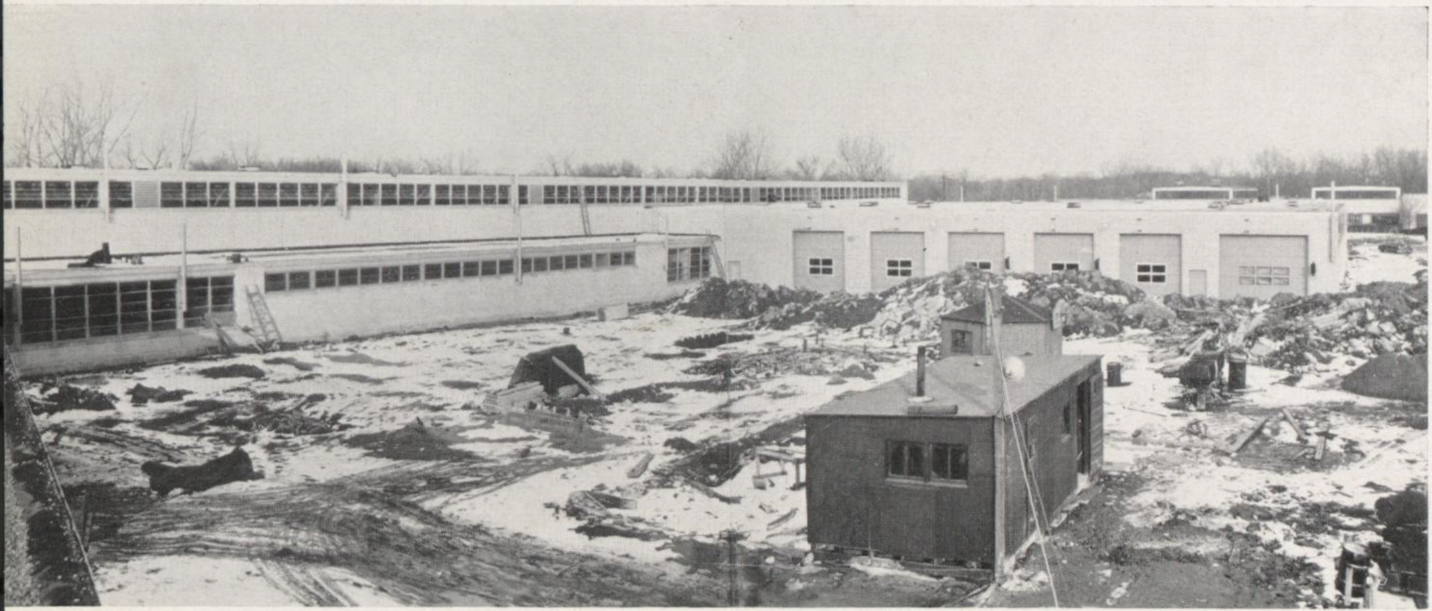
Mr. Werner W. Schroeder was appointed a Board member for the term expiring September 1, 1961. The appointment was made by Governor Stratton and approved by Mayor Kennelly. He filed his oath of office with the Secretary of State on September 21, 1954. On October 1, 1954, Mr. Schroeder was elected Vice-Chairman for a period of one year or until his successor has been elected by the Board. Mr. Schroeder had been General Attorney for the Board at the time the transportation properties were acquired. Mr. Schroeder succeeded Mr. Guy A. Richardson as a Board member.

Throughout the year the Board held 23 meetings for the transaction of business.

Personnel

There were no major departmental changes during the year. Mr. C. W. Meyer, Statistical Assistant to the General Manager, retired effective August 1, 1954, after forty-six years of continuous service. He was formerly Comptroller of Chicago Surface Lines.

During the year 595 persons retired on pensions. There were 297 deaths of persons pensioned. The total number of persons on pension at December 31, were 4931. Manpower shortages have been virtually eliminated so that overtime payments are no longer an important factor. This has been in part due to manpower saving resulting from new equipment and partly because of decreased patronage on the surface system. The total number of active employes at the end of the year were 16,053. This compares with 16,845 employes at December 31, 1953.



Servicing Facilities at Elston and Armstrong Garage Approach Completion.

Plans for 1955

The next year will see the completion of the Elston-Armstrong garage. This facility for 175 trolley buses and 200 motor buses will be an important addition to the plant for storage and servicing the Authority's modern fleet. Garages are being rebuilt to house modern equipment. The recent progress in modernizing existing garages will enable the Blue Island bus station to be adapted to other than transportation department uses. The 14th Street motor bus line is to be abandoned as soon as the housing project known as "Grace Abbott Homes" is advanced to the point where 14th Street will be closed as a through artery.

The Authority will begin laying track, for the City's account, in the rapid transit area of the Congress Street Superhighway. Plans for rapid transit which may be advanced further during the year are for extension to the northwest beyond the Logan Square station in conjunction with the Northwest Superhighway. The working out of a plan for the elevation of the Lake Street rapid transit to the right-of-way of the Chicago and North Western Railway is also contemplated. This is the portion of the Lake Street elevated which operates west of Laramie Avenue in Chicago and in Oak Park.

This year, actual construction will begin on the Randolph and Wabash elevated station, which is to be redesigned for greater passenger convenience and comfort. It is to be jointly financed by Marshall Field and Company and Chicago Transit Authority. A parking lot at the Kimball terminal of the Ravenswood rapid transit route will be opened for use. This facility for 123 automobiles will be controlled through the use of automatic gates and will be the first paid parking lot to be placed in operation by the Authority. It will encourage the use of rapid transit riding through offering lower parking rates to rapid transit users.

In 1955 the Authority expects the delivery of 78 motor buses and 94 rapid transit cars. New motor buses continue to be designed for the use of propane fuel. New rapid transit cars continue to utilize component parts of the Authority's modern P.C.C. streetcars. Emphasis will continue on modernizing the rapid transit system.

Acknowledgments

Acknowledgment is made of the cooperation of the City of Chicago, other governmental agencies and the public generally in enabling us to continue to improve transit service.

We express thanks to the employes of the Authority for the faithful and efficient manner in which their work was carried out.

By Order of Of The Board

V. E. Gunlock

Chairman

Room 734
Merchandise Mart Plaza
Chicago 54, Illinois
April 15, 1955

ARTHUR ANDERSEN & CO.

120 SOUTH LASALLE STREET
CHICAGO 3

To Chicago Transit Board,
Chicago Transit Authority:

We have examined the balance sheet of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 31, 1954, and the related statements of income, of accumulated net earnings, of application of revenues and of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of income, of accumulated net earnings and of funds present fairly the financial position of Chicago Transit Authority as of December 31, 1954, and the results of its operations and fund transactions for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

It is our further opinion that the accompanying statement of application of revenues presents fairly the distribution made of revenues of Chicago Transit Authority for the year ended December 31, 1954, and was prepared in accordance with the provisions of the Trust Agreement securing the Revenue Bonds.

ARTHUR ANDERSEN & CO.

March 4, 1955

CHICAGO TRANSIT AUTHORITY —

Assets

	December 31	
	1954	1953
Transportation Property, at cost	$167,785,282	$156,119,397
Less—Reserve for depreciation	32,266,252	30,095,747
	$135,519,030	$126,023,650
Special Funds—cash and U. S. Government securities (see accompanying statement of funds):		
Under control of Revenue Bond Trustee—		
Transit Revenue	$ —	$ —
Series of 1947 Serial Bond Maturity	1,200,000	900,000
Revenue Bond Reserves	7,102,355	6,737,655
Depreciation Reserve ($1,463,177 minimum balance required at December 31, 1954, by Equipment Trust Agreements)	3,750,775	3,174,852
Revenue Bond Amortization	424,952	317,838
Operating Expense Reserve	1,571,426	1,571,426
Modernization	1,998,240	3,355,046
	$ 16,047,748	$ 16,056,817
Under control of Equipment Trustee (for purchase of equipment)	3,053,096	10,396,803
Damage Reserve	1,271,601	1,555,473
	$ 20,372,445	$ 28,009,093
Current Assets:		
Cash, U. S. Government and municipal securities (see accompanying statement of funds)—		
Working cash (including $5,000,000 provided from Revenue Bond proceeds)	$ 11,719,672	$ 11,193,923
Deposits for payment of interest on Revenue Bonds	2,503,001	2,462,580
Deposits for payment of interest on Equipment Trust Certificates	422,860	303,107
	$ 14,645,533	$ 13,959,610
Accounts receivable, less reserve	1,540,970	1,421,385
Materials and supplies, at average cost	5,965,921	6,821,423
Prepayments and other current assets	626,158	939,417
	$ 22,778,582	$ 23,141,835
Deferred Charges:		
Discount on Series of 1952 Revenue Bonds	$ 838,371	$ 908,781
Improvements to leased offices, in process of amortization	444,470	439,993
Other	8,647	217,327
	$ 1,291,488	$ 1,566,101
	$179,961,545	$178,740,679

COMPARATIVE BALANCE SHEETS

Liabilities

	December 31	
	1954	1953
Long-Term Debt (see accompanying statements):		
Revenue Bonds	$130,422,000	$132,687,000
Equipment Trust Certificates, after deducting funds of $855,600 and $1,566,684, respectively, held by Trustee for payment of principal	14,144,400	13,433,316
	$144,566,400	$146,120,316
4% **Property Purchase Obligation,** $142,000 payable annually from Depreciation Reserve Fund	$ 710,000	$ —
Accumulated Net Earnings (see accompanying statement):		
Portion allocated in accordance with Revenue Bond Trust Agreement for—		
Serial Bond Maturity	$ 4,000,000	$ 1,900,000
Revenue Bond Reserves	7,102,355	6,737,655
Revenue Bond Amortization	2,052,919	1,516,714
Operating Expense Reserve	1,571,426	1,571,426
Modernization	537,249	510,408
Other	138,474	121,186
	$ 15,402,423	$ 12,357,389
Less—Financing costs not deductible from revenues in accordance with Revenue Bond Trust Agreement	3,063,032	2,246,309
	$ 12,339,391	$ 10,111,080
Current Liabilities:		
Accounts payable	$ 4,066,174	$ 4,118,837
Accrued wages	5,785,863	5,926,122
Accrued interest on Revenue Bonds	2,503,001	2,462,580
Accrued interest on Equipment Trust Certificates	422,860	303,107
Unredeemed tickets and tokens	333,408	868,117
	$ 13,111,306	$ 13,678,763
Deferred Liability (for repaving of abandoned right of way)	$ 2,203,966	$ 1,516,166
Damage Reserve	$ 7,030,482	$ 7,314,354
Equipment Commitments—Note		
	$179,961,545	$178,740,679

NOTE: Commitments for the purchase of propane buses and elevated subway cars aggregated approximately $3,900,000 at December 31, 1954. This equipment is to be purchased from funds held by the Equipment Trustee and from Depreciation and Modernization Funds.

Statement of Revenue Bonds

December 31, 1954

	Total Revenue Bonds	Series of 1947	
		Interest Rate	Amount
Principal Amount by Year of Maturity:			
1955	$ 2,400,000	3¼%	$ 2,400,000
1956	2,800,000	3¼	2,800,000
1957	3,000,000	3¼	3,000,000
1958-1961	8,000,000	3⅜	8,000,000
1962-1965	8,000,000	3½	8,000,000
1966-1972	13,000,000	3⅝	13,000,000
1978	63,537,000	3¾	63,537,000
1982	29,685,000	—	—
REVENUE BONDS per balance sheet	$130,422,000		$100,737,000
OTHER DATA WITH RESPECT TO REVENUE BONDS:			
Funds on deposit or to be deposited with Trustee, classified as special funds in balance sheet—			
Serial Bond Maturity	$ 1,200,000		$ 1,200,000
Revenue Bond Reserves	7,102,355		6,400,000
Revenue Bond Amortization	424,952		328,037
	$ 8,727,307		$ 7,928,037
Deposits with Trustee (exclusive of interest) required in 1955 (note)—			
Serial Bond Maturity, monthly deposits beginning July 1 of each year to pay Series of 1947 Revenue Bonds maturing the following July 1	$ 2,600,000		$ 2,600,000
Revenue Bond Reserves—			
Series of 1947, required to be maintained at $6,400,000	—		—
Series of 1952, $23,000 monthly until fund aggregates 6% of the principal amount of the then outstanding Series of 1952 Revenue Bonds	276,000		—
Series of 1953, $7,000 monthly until fund aggregates 6% of the principal amount of the then outstanding Series of 1953 Revenue Bonds	84,000		—
	$ 2,960,000		$ 2,600,000

NOTE: The Authority is also required to deposit from monies remaining after all required deposits in the Depreciation Fund have been made, $316,714 each quarter, and deficiencies, if any, in previous quarters within the year, in the Revenue Bond Amortization Fund.

Sinking fund deposits are required for the Revenue Bonds beginning July 1, 1957, for the Series of 1947 and January 1, 1960, for the Series of 1952 and 1953.

Series of 1952		Series of 1953	
Interest Rate	Amount	Interest Rate	Amount
—%	$ —	—%	$ —
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
4½	22,707,000	4½	6,978,000
	$ 22,707,000		$ 6,978,000

$ —	$ —
604,355	98,000
74,455	22,460
$ 678,810	$ 120,460

$ —	$ —
—	—
276,000	—
—	84,000
$ 276,000	$ 84,000

Statement of Equipment Trust Certificates

December 31, 1954

	Total Equipment Trust Certificates	Series 4	
		Class 1 3¾% (Note 1)	Class 2 4½% (Note 1)
Principal Amount by Year of Maturity:			
1955	$ 1,245,000	$ 485,000	$ 175,000
1956	2,780,000	1,090,000	385,000
1957	2,895,000	1,130,000	400,000
1958	2,980,000	1,170,000	415,000
1959	2,705,000	1,215,000	215,000
1960	2,395,000	1,270,000	—
Total outstanding	$15,000,000	$ 6,360,000	$ 1,590,000
LESS—Funds held by Trustee for payment of principal (deducted from Equipment Trust Certificates in accompanying balance sheet)	855,600	660,000	—
EQUIPMENT TRUST CERTIFICATES, per balance sheet	$14,144,400	$ 5,700,000	$ 1,590,000
OTHER DATA WITH RESPECT TO EQUIPMENT TRUST CERTIFICATES:			
Deposits with Trustee required in 1955 for payment of principal (Note 2)	$ 3,011,200	$ 1,025,000	$ 365,000

	Series 4	
	Units	Amount
Collateral at December 31, 1954—		
Equipment held in name of Trustee (at contract cost)—		
Propane buses	266	$ 5,060,872
Elevated-subway cars	133	6,238,615
Partial payments on elevated-subway cars in process of manufacture or delivery	—	—
Cash and U. S. Government securities held by Trustee for purchase of following equipment—		
Propane buses	—	—
Elevated-subway cars	4	158,513
		$11,458,000

NOTES:

(1) Additional interest of 1-1/2% per annum is payable to July 1, 1955, on the Series 4, Class 1 and Class 2 certificates. Additional interest of 1-3/4% and 6/10% per annum is payable to January 1, 1956, on the Series 5, Class 1 and Class 2 certificates, respectively. Additional interest of 2% and 1% per annum is payable to January 1, 1957 on the Series 6, Class 1 and Class 2 certificates, respectively.

(2) Payments of principal and interest on all series of Equipment Trust Certificates are to be made from the Depreciation Reserve Fund, deposits to which are to be made only after requirements have been fulfilled for principal and interest on the Revenue Bonds.

Series 5		Series 6	
Class 1	Class 2	Class 1	Class 2
4% (Note 1)	5% (Note 1)	4% (Note 1)	5% (Note 1)
$ 145,000	$ 50,000	$ 290,000	$ 100,000
320,000	115,000	640,000	230,000
335,000	120,000	670,000	240,000
345,000	120,000	690,000	240,000
360,000	65,000	720,000	130,000
375,000	—	750,000	—
$1,880,000	$ 470,000	$ 3,760,000	$ 940,000
195,600	—	—	—
$ 1,684,400	$ 470,000	$ 3,760,000	$ 940,000
$ 305,000	$ 105,000	$ 1,001,200	$ 210,000

Series 5		Series 6	
Units	Amount	Units	Amount
100	$ 1,975,286	34	$ 680,512
23	1,065,636	—	—
—	50,280	—	3,445,703
—	—	100	1,984,118
3	92,798	92	817,667
	$ 3,184,000		$ 6,928,000

Statements of Income (See Note)

For the Years Ended December 31, 1954 and 1953

	1954	1953
Revenues	$121,139,515	$124,103,962
Operating Expenses:		
Operation and maintenance expenses—		
Way and structures	$ 6,155,056	$ 7,558,608
Equipment	14,405,508	14,653,668
Power	6,574,030	7,061,689
Fuel for revenue equipment	4,124,778	3,705,247
Conducting transportation	54,207,409	56,897,732
Provision for injuries and damages	7,502,934	6,816,174
General and administrative expenses—		
Employees' pensions and insurance	5,635,183	5,126,137
Social security taxes	1,185,072	902,042
Other	3,621,567	3,575,608
	$103,411,537	$106,296,905
Depreciation	9,691,161	9,928,317
Municipal compensation	—	—
	$113,102,698	$116,225,222
Net operating income	$ 8,036,817	$ 7,878,740
Interest Deductions:		
Interest on Revenue Bonds	$ 5,040,612	$ 4,889,336
Interest on Equipment Trust Certificates	749,752	587,475
Interest on Property Purchase Obligation	32,471	—
Amortization of Revenue Bond discount	34,500	34,500
Interest earned on funds controlled by Revenue Bond Trustee	(48,829)	(126,647)
	$ 5,808,506	$ 5,384,664
Net income (see note)	$ 2,228,311	$ 2,494,076

NOTE: The above statements show the revenues, expenses and net income of the Authority for the years ended December 31, 1954 and 1953. These statements do not purport to show the disposition of gross revenues in the order of precedence required by the Trust Agreement securing the Revenue Bonds. Such information is presented in the accompanying Statements of Accumulated Net Earnings and Application of Revenues.

Statement of Accumulated Net Earnings

For the Year Ended December 31, 1954

		Portion Allocated in		
	Total	Serial Bond Maturity	Revenue Bond Reserves	Reve Bo Amorti
Balance December 31, 1953	$10,111,080	$1,900,000	$6,737,655	$1,51
Net income for 1954, per statement of income	2,228,311	—	4,700 (2)	—
Allocation of net earnings for—				
Debt service requirements	—	2,100,000	360,000	—
Revenue Bond amortization	—	—	—	53
Balance December 31, 1954	$12,339,391	$4,000,000	$7,102,355	$2,05

( ) Denotes deduction.

NOTES:

(1) In accordance with the Revenue Bond Trust Agreement these items, representing accumulated interest and redemption pre the Depreciation Reserve Fund, and amortization of discount on Revenue Bonds, are not deductible from revenues.

(2) Interest earnings on investments in funds controlled by the Revenue Bond Trustee which are available only for disburse

Accordance With Revenue Bond Trust Agreement For					
nue nd zation	Operating Expense Reserve	Modernization	(Other— Depreciation Fund and Special Modernization)	Unallocated Net Earnings	Financing Costs Not Deductible from Revenues (Note 1)
,714	$1,571,426	$510,408	$121,186	$ —	($2,246,309)
-	—	26,841 (2)	17,288 (2)	2,996,205	(816,723)
-	—	—	—	(2,460,000)	—
,205	—	—	—	(536,205)	—
,919	$1,571,426	$537,249	$138,474	$ —	($3,063,032)

nium on Equipment Trust Certificates and interest on the Property Purchase Obligation paid from

nent for purposes for which the funds were created.

Coin Operated Gate at Parking Lot Located at Kimball-Lawrence Station, the Northwest Terminal of the Ravenswood Elevated Branch.

Statement of Accumulated Net Earnings
inside this fold

Statements of Application of Revenues

(Applied in the order of precedence required by Trust Agreement securing Revenue Bonds)
For the Years Ended December 31, 1954 and 1953

	1954	1953
Revenues	$121,139,515	$124,103,962
Operation and Maintenance Expenses	103,411,537	106,296,905
	$ 17,727,978	$ 17,807,057
Debt Service Requirements—Revenue Bonds:		
Interest	$ 5,040,612	$ 4,889,336
Serial Bond Maturity	2,100,000	1,400,000
Revenue Bond Reserves	360,000	290,000
	$ 7,500,612	$ 6,579,336
Balance	$ 10,227,366	$ 11,227,721
Other Requirements:		
Depreciation	$ 9,691,161	$ 9,928,317
Revenue Bond amortization	536,205	1,216,714
Operating Expense Reserve	—	82,690
Municipal compensation	—	—
	$ 10,227,366	$ 11,227,721
Unappropriated net revenues	$ —	$ —

NOTE: Revenues remaining in each year after deducting operation and maintenance expenses are to be deposited in the following funds, in the order shown, to the extent that monies are available therefor:

1. Revenue Bond Interest, Serial Bond Maturity, and Reserve Funds—Deposits equal to debt service requirements as provided for in the Revenue Bond Trust Agreement.
2. Depreciation Reserve Fund—Deposits equal to annual depreciation provision and deficiencies, if any, in prior years' deposits.
3. Revenue Bond Amortization Fund—Deposits, cumulative within the year, equal to $300,000 quarterly for the Series of 1947 and 1952 Revenue Bonds and $16,714 quarterly for the Series of 1953 Revenue Bonds.
4. Operating Expense Reserve Fund—Deposit to be $900,000 each year.
5. Municipal Compensation Fund—Deposit to be equal to an amount computed in accordance with the Franchise Ordinance.
6. Modernization Fund—Deposit to be equal to the monies remaining after making required deposits in the above funds.

Statement of Funds

For the Year Ended December 31, 1954

		Funds Under Con		
			Revenue Bond	
	Total	Transit Revenue	Interest	Serial Maturity
Balance December 31, 1953—				
Classified in accompanying balance sheet as:				
Special funds	$ 28,009,093	$ —	$ —	$ 900,000
Current assets	13,959,610	—	2,462,580	—
Reduction of long-term debt	1,566,684	—	—	—
	$ 43,535,387	$ —	$2,462,580	$ 900,000
Eliminate—				
Fund transfers and deposits recorded at December 31, 1953, but made after that date	(352,486)	4,606,222	—	—
Balance December 31, 1953—				
After eliminating above transfers and deposits	$ 43,182,901	$ 4,606,222	$2,462,580	$ 900,000
Add—Receipts:				
Collection of revenues	$120,912,969	$120,661,111	$ 12,666	$ 19,921
Proceeds from sales of Equipment Trust Certificates	4,700,000	—	—	—
Other receipts	5,787,333	4,515,028	—	—
Transfers from Transit Revenue Fund	—	(124,610,290)	5,040,612	2,100,000
Other transfers (net)	—	187,350	(12,666)	(19,921)
	$131,400,302	$ 753,199	$5,040,612	$2,100,000
Deduct—Disbursements:				
Costs and expenses of operations, purchase of materials and supplies, reimbursable expenditures, etc.	$101,588,970	$ —	$ —	$ —
Disbursements for purposes for which funds were created	37,467,704	—	5,000,191	1,800,000
Transfers from Revenue Bond Trustee to Equipment Trustee (see accompanying statement)	—	—	—	—
	$139,056,674	$ —	$5,000,191	$1,800,000
Balance December 31, 1954—				
Before transfers described below:				
Cash	$ 18,926,911	$ 5,359,421	$2,503,001	$1,200,000
U. S. Government and municipal securities (at cost)	16,599,618	—	—	—
	$ 35,526,529	$ 5,359,421	$2,503,001	$1,200,000
Add or (Deduct):				
December collections deposited January 3, 1955	347,049	347,049	—	—
Fund transfers to be made after December 31, 1954—				
Transfers from Transit Revenue Fund	—	(5,706,470)	—	—
Reimbursement of working cash for disbursements payable from special funds	—	—	—	—
	$ 35,873,578	$ —	$2,503,001	$1,200,000
Balance December 31, 1954—				
Classified in accompanying balance sheets as:				
Special funds	$ 20,372,445	$ —	$ —	$1,200,000
Current assets	14,645,533	—	2,503,001	—
Reduction of long-term debt	855,600	—	—	—
	$ 35,873,578	$ —	$2,503,001	$1,200,000

NOTE (1): $1,463,177 minimum balance required at December 31, 1954, by Equipment Trust Agreements.

AUTHORITY

trol of Revenue Bond Trustee					Funds Under Control of Equipment Trustee (See Accompanying Statement)	Other Funds	
Reserves	Depreciation Reserve	Revenue Bond Amortization	Operating Expense Reserve	Modernization		Damage Reserve	Working Cash
$6,737,655	$3,174,852	$317,838	$1,571,426	$3,355,046	$10,396,803	$1,555,473	$ —
—	—	—	—	—	303,107	—	11,193,923
—	—	—	—	—	1,566,684	—	—
$6,737,655	$3,174,852	$317,838	$1,571,426	$3,355,046	$12,266,594	$1,555,473	$ 11,193,923
—	(32,526)	(316,714)	(82,690)	31,299	—	(545,032)	(4,013,045)
$6,737,655	$3,142,326	$ 1,124	$1,488,736	$3,386,345	$12,266,594	$1,010,441	$ 7,180,878
$ 121,391	$ —	$ —	$ 33,372	$ —	$ 62,728	$ —	$ 1,780
—	—	—	—	—	4,700,000	—	—
4,700	17,288	—	—	1,314,841	(62,744)	—	(1,780)
360,000	9,701,656	428,894	82,690	119,094	—	—	106,777,344
(121,391)	—	—	(33,372)	462,889	—	7,404,413	(7,867,302)
$ 364,700	$9,718,944	$428,894	$ 82,690	$1,896,824	$ 4,699,984	$7,404,413	$ 98,910,042
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$101,588,970
—	3,322,677	429,091	—	480,614	19,807,206	7,774,403	(1,146,478)
—	4,762,184	—	—	2,340,000	(7,102,184)	—	—
$ —	$8,084,861	$429,091	$ —	$2,820,614	$12,705,022	$7,774,403	$100,442,492
$ 23,759	$ 676,045	$ 927	$ 6,426	$ 367,875	$ 2,526,750	$ 640,451	$ 5,622,256
7,078,596	4,100,364	—	1,565,000	2,094,680	1,734,806	—	26,172
$7,102,355	$4,776,409	$ 927	$1,571,426	$2,462,555	$ 4,261,556	$ 640,451	$ 5,648,428
—	—	—	—	—	—	—	—
—	860,725	424,025	—	281,550	70,000	631,150	3,439,020
—	(1,886,359)	—	—	(745,865)	—	—	2,632,224
$7,102,355	$3,750,775(1)	$424,952	$1,571,426	$1,998,240	$ 4,331,556	$1,271,601	$ 11,719,672
$7,102,355	$3,750,775	$424,952	$1,571,426	$1,998,240	$ 3,053,096	$1,271,601	$ —
—	—	—	—	—	422,860	—	11,719,672
—	—	—	—	—	855,600	—	—
$7,102,355	$3,750,775	$424,952	$1,571,426	$1,998,240	$ 4,331,556	$1,271,601	$ 11,719,672

( ) Denotes deduction.

Statements of Funds Under Control of Equipment Trustee

For the Year Ended December 31, 1954

Statement of Funds inside this fold.

	Total Funds Under Control of Equipment Trustee	Payment of Interest	Series 1 Refunding
Balance December 31, 1953—			
Classified in accompanying balance sheet as:			
Special funds	$10,396,803	$ —	$ —
Current assets	303,107	303,107	—
Reduction of long-term debt	1,566,684	—	1,166,672
	$12,266,594	$303,107	$1,166,672
Add—Receipts:			
Proceeds from sale of Equipment Trust Certificates	$ 4,700,000	$ —	$ —
Interest collections on U. S. Government securities	62,728	—	15,085
Interest collections and excess deposits transferred to Revenue Bond Trustee	(62,744)	(8)	(15,087)
Transfers from Revenue Bond Trustee for—			
Payment of principal and interest on Equipment Trust Certificates	4,762,184	773,260	2,333,330
Purchase of equipment	940,000	—	—
Proceeds from sale of PCC cars	1,400,000	—	—
	$11,802,168	$773,252	$2,333,328
Deduct—Disbursements:			
Payments to equipment manufacturers	$14,453,707	$ —	$ —
Payment of principal and interest on Equipment Trust Certificates	5,353,499	653,499	3,500,000
	$19,807,206	$653,499	$3,500,000
Balance December 31, 1954—			
Before transfer described below:			
Cash	$ 2,526,750	$422,860	$ —
U. S. Government securities (at cost)	1,734,806	—	—
	$ 4,261,556	$422,860	$ —
Add—			
Transfer of proceeds from sale of PCC cars to be made from Transit Revenue Fund after December 31, 1954	70,000	—	—
	$ 4,331,556	$422,860	$ —
Balance December 31, 1954—			
Classified in accompanying balance sheet as:			
Special funds	$ 3,053,096	$ —	$ —
Current assets	422,860	422,860	—
Reduction of long-term debt	855,600	—	—
	$ 4,331,556	$422,860	$ —

Equipment Trust Certificate Funds						
Payment of Principal				Purchase of Equipment		
Series 2 Refunding	Series 3 Refunding	Series 4	Series 5	Series 4	Series 5	Series 6
$ —	$ —	$ —	$ —	$7,576,803	$2,820,000	$ —
—	—	—	—	—	—	—
266,672	133,340	—	—	—	—	—
$266,672	$133,340	$ —	$ —	$7,576,803	$2,820,000	$ —
$ —	$ —	$ —	$ —	$ —	$ —	$4,700,000
3,439	1,712	3,127	923	10,330	20,273	7,839
(3,441)	(1,716)	(3,127)	(923)	(10,330)	(20,273)	(7,839)
533,330	266,664	660,000	195,600	—	—	—
—	—	—	—	—	—	940,000
—	—	—	—	—	112,000	1,288,000
$533,328	$266,660	$660,000	$195,600	$ —	$ 112,000	$6,928,000
$ —	$ —	$ —	$ —	$7,474,290	$2,853,202	$4,126,215
800,000	400,000	—	—	—	—	—
$800,000	$400,000	$ —	$ —	$7,474,290	$2,853,202	$4,126,215
$ —	$ —	$168,133	$ 49,936	$ 2,723	$ 78,798	$1,804,300
—	—	491,867	145,664	99,790	—	997,485
$ —	$ —	$660,000	$195,600	$ 102,513	$ 78,798	$2,801,785
—	—	—	—	56,000	14,000	—
$ —	$ —	$660,000	$195,600	$ 158,513	$ 92,798	$2,801,785
$ —	$ —	$ —	$ —	$ 158,513	$ 92,798	$2,801,785
—	—	—	—	—	—	—
—	—	660,000	195,600	—	—	—
$ —	$ —	$660,000	$195,600	$ 158,513	$ 92,798	$2,801,785

Mileage Owned, Leased and Operated

December 31, 1954

	Surface System	Rapid Transit System	Combined System
Track Owned or Leased:			
Owned	476.65	187.39	664.04
Leased	—	29.40	29.40
Total Track Owned or Leased	476.65	216.79	693.44
Revenue and Non-Revenue Track or Route Mileage:			
Revenue Miles in Operation—			
Revenue Tracks in Operation	153.84	172.38	326.22
Trolley bus lines (Single Way Miles) in Operation	246.69	—	246.69
Motor bus lines (Single Way Miles) in Operation	1,468.29	—	1,468.29
Total Revenue Miles in Operation	1,868.82	172.38	2,041.20
Non-Revenue Miles—			
Unused Track	283.54 (1)	—	283.54
Service Track	39.27 (2)	44.41 (3)	83.68
Connecting trolley bus lines, and trolley bus storage	14.04	—	14.04
Total Non-Revenue Miles	336.85	44.41	381.26
TOTAL	2,205.67	216.79	2,422.46

NOTES:

(1) This mileage covers tracks located in public ways and streets which are isolated, tracks from which electric service has been disconnected, and tracks not used.

(2) This mileage covers tracks located in yards and carhouses; also 19.66 miles in public ways and streets used for pull-in, pull-out, work cars, and in case of emergencies.

(3) Includes 13.11 miles Main Line Storage Track, and 3.28 miles freight Gauntlet Track, Evanston Branch. Balance consists of tracks in yard and carhouses.

Revenue Equipment Owned

December 31, 1954

Surface System:	On Hand Dec. 31, 1953	January 1, 1954 to December 31, 1954 Acquired	Retired	On Hand Dec. 31, 1954
Streetcars—				
P. C. C. Cars	530	—	120	410
Other Closed Platform	241	—	213	28
Other Platform	159	—	102	57
Total Streetcars	930	—	435	495
Buses—				
Trolley Buses	675	2	28	649
Gas—Mechanical	319	—	30	289
Gas—Hydraulic	531	—	2	529
Diesel—Hydraulic	721	—	5	716
Propane—Hydraulic	675	298	1	972
Total Buses	2,921	300	66	3,155
Total Surface Equipment	3,851	300	501	3,650
Rapid Transit System:				
Elevated Cars—wood and steel	653	—	146	507
Elevated-Subway Cars				
Steel, Conventional type	454	—	—	454
Metal, Articulated	4	—	—	4
Metal, P. C. C.	200	176	—	376
Total Rapid Transit Cars	1,311	176	146	1,341
Total Revenue Equipment Owned	5,162	476	647	4,991

Statement of Transportation Property and Organization Expense

Showing Balance at December 31, 1953, Plus Additions and Less Retirements During Year 1954 and Balance at December 31, 1954

	Balance Dec. 31, 1953	Plus Gross Additions	Less Retirements	Balance Dec. 31, 1954
Land	$ 14,636,922.37	$ (217,247.74)	$ 309,540.42	$ 14,110,134.21
Track and Paving	19,253,907.61	1,496,734.08	3,948,634.24	16,802.007.45
Machinery and Tools	3,091,023.92	234,608.56	75,008.22	3,250,624.26
Electric Line Equipment	9,947,586.14	543,548.32	311,418.81	10,179,715.65
Buildings	20,590,178.74	1,910,579.26	222,155.55	22,278,602.45
Cars	26,908,319.72	9,093,871.05	3,014,550.20	32,987,640.57
Buses	47,038,790.06	5,946,259.92	182,963.54	52,802,086.44
Work Trucks, Autos, and Service Equipment	1,371,414.49	120,221.62	18,340.53	1,473,295.58
Furniture	957,560.69	77,753.27	5,280.00	1,030,033.96
Signals and Interlocking	484,737.38	70,644.39	6,485.52	548,896.25
Crossings, Fences, and Signs	410,651.99	175,190.26	1,745.92	584,096.33
Elevated Structures	6,941,667.30	80,747.13	69,711.22	6,952,703.21
Substation Equipment	1,773,731.49	15,922.38	13,686.16	1,775,967.71
Telephone and Communications	380,982.77	30,576.03	108.77	411,450.03
Engineering	46,622.63	—	—	46,622.63
General and Miscellaneous	2,199,983.76	362,623.56	96,518.74	2,466,088.58
Total Transportation Property	156,034,081.06	19,942,032.09	8,276,147.84	167,699,965.31
Organization Expense	85,316.39	—	—	85,316.39
TOTAL	$156,119,397.45	$19,942,032.09	$8,276,147.84	$167,785,281.70

( ) Denotes Deduction

Operating Statistics

For the Year Ended December 31, 1954

	Surface System	Rapid Transit System	Combined System
Passenger and Traffic Statistics:			
Revenue Passengers	529,934,199	120,032,533*	649,966,732*
Revenue Vehicle Miles—			
Cars	17,921,621	43,285,362	61,206,983
Trolley Buses	19,478,889	—	19,478,889
Motor Buses	83,536,946	—	83,536,946
Total Revenue Vehicle Miles	120,937,456	43,285,362	164,222,818
Revenue per Vehicle Mile	81.24c	52.89c	73.76c
Revenue Vehicle Hours—			
Cars	1,975,492	—	1,975,492
Trolley Buses	2,442,282	—	2,442,282
Motor Buses	9,794,447	—	9,794,447
Total Revenue Vehicle Hours	14,212,221	—	14,212,221
Power Statistics:			
Direct Current Kilowatt Hours	192,368,582	202,011,118	394,379,700
Average Cost per Kilowatt Hour	—	—	1.66c
Fuel Statistics:			
Gasoline—			
Gallons	9,944,913	—	9,944,913
Average Miles per Gallon	2.83	—	2.83
Diesel Fuel—			
Gallons	5,946,975	—	5,946,975
Average Miles per Gallon	3.94	—	3.94
Propane Fuel—			
Gallons	13,958,434	—	13,958,434
Average Miles per Gallon	2.29	—	2.29

*Includes 8,800,231 1c transfer passengers from Surface System which were discontinued April 22, 1954, by elimination of token rates of 5 for 85c on Surface System and 5 for 90c on Rapid Transit System.